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BEFORE THE ARIZONA CORPORATION

AZ CORP COMMISSION  
DOCKET CONTROL

2016 AUG -5 P 4: 24

**COMMISSIONERS**

DOUG LITTLE - CHAIRMAN  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF )  
MIDVALE TELEPHONE COMPANY, INC. FOR )  
THE ESTABLISHMENT OF JUST AND )  
REASONABLE RATES FOR ITS YOUNG )  
EXCHANGE AND FOR A DETERMINATION )  
OF THE FAIR VALUE OF ITS UTILITY )  
PROPERTY IN ITS YOUNG EXCHANGE.

DOCKET NO. T-20741A-16-0088

**NOTICE OF FILING**

Midvale Telephone Company, Inc. ("Midvale") submits the Rebuttal Testimony of  
John Stuart.

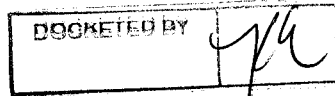
RESPECTFULLY SUBMITTED this 5<sup>th</sup> day of August, 2016.

SNELL & WILMER L.L.P.

Arizona Corporation Commission

**DOCKETED**

AUG 05 2016



By

Timothy J. Sabo  
Timothy J. Sabo  
One Arizona Center  
400 East Van Buren Street  
Phoenix, Arizona 85004

Attorney for Midvale Telephone Company

Original and thirteen copies of the foregoing  
filed this 5<sup>th</sup> day of August, 2016, with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

1 Copy of the foregoing hand-delivered/mailed  
this 5<sup>th</sup> day of August, 2016, to:

2 Sasha Paternoster  
3 Administrative Law Judge  
Hearing Division  
4 Arizona Corporation Commission  
1200 West Washington  
5 Phoenix, Arizona 85007

6 Janice M. Alward, Chief Counsel  
Legal Division  
7 Arizona Corporation Commission  
1200 West Washington Street  
8 Phoenix, Arizona 85007

9 Thomas Broderick, Director  
Utilities Division  
10 Arizona Corporation Commission  
1200 West Washington Street  
11 Phoenix, Arizona 85007

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**REBUTTAL TESTIMONY OF JOHN STUART  
ON BEHALF OF  
MIDVALE TELEPHONE COMPANY, INC.**

**AUGUST 5, 2016**

1 **I. INTRODUCTION.**

2  
3 **Q. Please state your name and business address.**

4 A. John Stuart, 2205 Keithley Creek Road, Midvale ID 83645.

5  
6 **Q. What is your position with Midvale Telephone Company?**

7 A. I am the Chief Executive Officer of Midvale Telephone Company.

8  
9 **Q. Have you reviewed the Staff Report dated July 8, 2016 in this docket?**

10 A. Yes. We are grateful for Staff's support for the rate increase and we support the  
11 majority of the Staff Report.

12  
13 **Q. Are there any aspects of the Staff Report that cause you concern?**

14 A. Yes. On page 6, Staff recommends that "that any future rate increase applications  
15 filed by Midvale be processed per full A.A.C. R14-2-103 requirements, and not  
16 streamlined." Because the FCC may continue to raise the price floor, it is  
17 foreseeable that Midvale may need to file similar cases in the future. In that case,  
18 it would be reasonable to continue to use the streamlined process, which has been  
19 successfully applied in numerous cases for small, rural carriers in Arizona.

20  
21 These proceedings are not like traditional rate cases, in that the carrier is not  
22 seeking to raise its total level of revenue. Instead, the carrier attempts to meet the  
23 FCC minimum rate levels required to continue to receive FCC universal service  
24 subsidies. It is in the public interest for Arizona to continue to receive such  
25 subsidies for service to rural areas.

1 In addition, Midvale is concerned with the significant expense and internal  
2 resources that would be needed to pursue a full, traditional rate case. It has been  
3 many years since Midvale had full, traditional rate case. Thus, Midvale would  
4 have to heavily rely on attorneys and consultants to prepare such a case.  
5

6 Lastly, it is notable that CenturyLink is no longer required to use the Rule 103  
7 procedure; it makes little sense to impose the burdensome and complex Rule 103  
8 requirements on small, rural carriers when large carriers like CenturyLink are  
9 exempt. For these reasons, Midvale believes it should be allowed to use the  
10 streamlined procedure in the future.  
11

12 **Q. Does this conclude your testimony?**

13 **A. Yes.**  
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